

## Message Text

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PAGE 01 THE HA 05491 130617Z

11

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 EB-06 FRB-01 H-02 INR-07 INT-05 L-02 LAB-03

NSAE-00 NSC-05 PA-02 RSC-01 AID-05 CIEP-02 SS-15

STR-04 TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

SWF-01 IO-10 /116 W

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R 121615Z NOV 74

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 4698

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

OECD PARIS

USNATO BRUSSELS 2985

UNCLAS THE HAGUE 5491

E.O. 11652: N/A

TAGS: ECON, NL, EEC

SUBJ: GON PREPARES NEW MEASURES AS DUTCH ECONOMY WEAKENS

REF: HAGUE 5449

1. PRIME MINISTER DEN UYL'S PREOCCUPATION WITH ECONOMIC  
ISSUES DURING SPEECH NOVEMBER 7 TO DIPLOMATIC CORPS  
IN THE HAGUE (REFTEL) REFLECTS MOUNTING CONCERN HERE  
OVER UNANTICIPATED SIGNS OF DETERIORATION IN DUTCH  
ECONOMY. WITH UNEMPLOYMENT AND INFLATION RUNNING  
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HIGHER THAN EXPECTED, DEN UYL ON NOVEMBER 8

ANNOUNCED POSTPONEMENT FOR ONE WEEK OF DEBATE THAT WAS TO HAVE TAKEN PLACE IN SECOND CHAMBER ON BUDGET SUBMITTED SEPTEMBER 17. ON SAME DAY, TALKS BETWEEN TRADE UNIONS AND EMPLOYERS ORGANIZATIONS ON SOCIAL CONTRACT FOR 1975 WERE SUSPENDED, FOLLOWING ANNOUNCEMENT BY MINISTER OF SOCIAL AFFAIRS BOERSMA THAT HOLLAND'S ECONOMIC PROSPECTS WERE WORSE THAN EXPECTED.

2. BEHIND THESE ACTIONS IS FACT THAT CENTRAL PLANNING BUREAU FORECAST, ON WHICH BUDGET WAS BASED, WAS OVERLY OPTIMISTIC IN ESTIMATING REAL GROWTH IN WORLD TRADE. INSTEAD OF FIVE PERCENT INCREASE, IT NOW APPEARS RATE WILL BE ONLY 2.5 PERCENT. DELAY IN BUDGET DEBATE AND SOCIAL CONTRACT TALKS PERMITS CPB TO PREPARE NEW ANALYSIS. MINISTERS WILL THEN ASSESS WHAT NEW STEPS NEED TO BE TAKEN TO STIMULATE ECONOMY. WE EXPECT ANNOUNCEMENT OF THESE MEASURES NOVEMBER 18.  
GOULD

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, SPEECHES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 NOV 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
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